



PUBLIC WORKS DEPARTMENT

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CITY COUNCIL STAFF REPORT

Meeting: May 2, 2023

Subject

Consider a cost-sharing agreement between the City of Santa Clara and the City of Cupertino for the Via on-demand shuttle expansion.

Recommended Action

Authorize the City Manager to enter into a cost-sharing agreement between City of Santa Clara and the City of Cupertino for the Via on-demand shuttle expansion.

Reasons for Recommendation

On September 20, 2022, the City Council accepted an \$8,465,000 grant from the California State Transportation Agency (CalSTA) Transit and Intercity Rail Program (TIRCP) for the expansion of the Via-Cupertino shuttle into the City of Santa Clara and for the electrification of the Via fleet. The CalSTA grant will reimburse 50% of costs incurred by the cities of Cupertino and Santa Clara. On March 7, the City Council approved a funding allocation for the first year of operations of the project, including all costs for operations within the City of Santa Clara. The March 7 staff report identified, as a next step, that staff would return to Council with a funding agreement with the City of Santa Clara to identify their obligations as a partner in the Via expansion, including a payment schedule to reimburse the City for costs incurred in the City of Santa Clara.

The proposed cost-sharing agreement, in its substantially complete form (Attachment A), details the amounts that the City of Santa Clara will reimburse the City each year during the four-year project. The cost-sharing agreement also includes relevant terms and conditions that govern the collaborative effort. The agreement includes the following not-to-exceed payment amounts, based on modeling of anticipated demand within the City of Santa Clara:

- | | |
|-------------|-------------|
| a. FY23-24: | \$689,547 |
| b. FY24-25: | \$808,855 |
| c. FY25-26 | \$864,936 |
| d. FY26-27: | \$1,643,892 |

If ridership is lower than expected in any given year, the program costs and corresponding revenues to the City would be lower than shown above. The amounts

listed above are not-to-exceed amounts and should Santa Clara's payments to the City not reach the levels listed above, the City's expenditures will not increase. Cupertino expenses are tied to ridership within Cupertino and are not related to Santa Clara ridership.

Cupertino's contribution to this program is as follows:

- a. FY23-24: \$932,916
- b. FY24-25: \$1,094,328
- c. FY25-26: \$1,170,204
- d. FY26-27: \$1,260,312

The funding agreement allows either City to terminate their contribution. Like with many grants that are used to fund specific projects, if either City terminates their funding and thus unable to fulfill the purpose of the grant, some or all of the grant funding, along with any costs incurred by Via up to the date of termination, may need to be repaid.

Sustainability Impact

The electrification and expansion of Via-Cupertino will reduce greenhouse gas by providing residents with convenient, sustainable electric vehicle transportation that is local and provides access to regional rail stations. The expanded service will add the Mountain View Caltrain station, which has "Baby Bullet" express rail with service to San Francisco. The expansion also includes Caltrain stations in Santa Clara, resulting in first/last mile connection to four regional rail stations (and a fifth station beginning in year four of the grant.) Enabling long distance commuter rail trips enhances the environmental benefit of the program, which was a key reason the City's TIRCP application was approved by CalSTA.

Fiscal Impact

Execution of the cost-sharing agreement with the City of Santa Clara will allow for the equitable sharing of payment for contract services between the cities of Santa Clara and Cupertino. The following account has been created to track funds received from the City of Santa Clara, 100-88-265 440-439 (General Fund, Transportation, Via Shuttle – Intergovernmental Government Agency Cost-Share).

California Environmental Quality Act (CEQA)

The project is exempt from CEQA under CEQA Guidelines section 15301 (operation of an existing program), Public Resources Code section 21080.25 (transportation-related projects), and CEQA Guidelines section 15061(b)(3) ("common sense" exemption).

Next Steps

The allocation of the TIRCP grant funding for the Southbay Microtransit Expansion Project, as the Via expansion project is named in the TIRCP grant application, is

scheduled for the June 28, California Transportation Commission meeting. Once the allocation has occurred, funds will be available to the City on a reimbursement basis. The fleet of electric vehicles is anticipated to begin circulation in early May 2023. The new name of the program is Silicon Valley Hopper, abbreviated as "SV Hopper." New graphics and branding have been created based on the artwork of Monta Vista High School students.

Prepared by: Chris Corrao, Senior Transit & Transportation Planner

Reviewed by: David Stillman, Transportation Manager

Reviewed by: Chad Mosley, Interim Director of Public Works

Reviewed by: Matt Morley, Assistant City Manager

Approved for Submission by: Pamela Wu, City Manager

Attachments:

A – Silicon Valley Hopper Cost-Share Agreement